

## Message Text

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PAGE 01 WELLIN 03096 142355Z

ACTION EA-12

INFO OCT-01 EUR-12 ISO-00 SOE-02 AID-05 CEA-01 CIAE-00

COME-00 DODE-00 EB-08 DOE-15 H-02 INR-10 INT-05

L-03 NSAE-00 NSC-05 OMB-01 PM-05 ICA-20 OES-07

SP-02 SS-15 STR-07 TRSE-00 ACDA-12 PA-02 /152 W

-----062180 152019Z /64

R 142306Z JUN 78

FM AMEMBASSY WELLINGTON

TO SECSTATE WASHDC 5733

AMEMBASSY CANBERRA

AMEMBASSY PARIS

AMEMBASSY OTTAWA

UNCLAS WELLINGTON 03096

CANBERRA FOR RESOURCES ATTACHE

PARIS FOR OECD

E.O.11652:N/A

TAGS: ENRG, NZ

SUBJECT: FIRST OFFSHORE OIL PROJECT INVOLVING PRIVATE  
ENTERPRISE SINCE 1975 SIGNED.

REF: WELLINGTON 02357

1. A CONSORTIUM HEADED BY THE FRENCH AQUITAINE PETROLEUM  
COMPANY HAS SIGNED AN AGREEMENT WITH THE GOVERNMENT OF  
NEW ZEALAND'S EXPLORATION COMPANY, PETROCORP. THE DEAL  
IS THE FIRST OFF SHORE PROJECT INVOLVING PRIVATE ENTER-  
PRISE TO BE SIGNED SINCE 1975, AND THE FIRST UNDER THE  
GOVERNMENT'S NEW EXPLORATION TAX SYSTEM. PETROCORP HAS  
GRANTED THE CONSORTIUM A PETROLEUM PROSPECTING LICENCE  
FOR AN AREA COVERING 3540 SQUARE KILOMETERS JUST SOUTH  
OF THE SOON TO BE PRODUCING MAUI NATURAL GAS FIELD.

2. THE PARTICIPATION DEED PROVIDES FOR THE GNZ THROUGH  
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PETROCORP TO CONTRIBUTE 40 PERCENT TOWARDS THE COST OF  
EXPLORATION IN RETURN FOR A 51 PERCENT INTEREST IN ANY  
DISCOVERY. A STRIKE WILL ALSO EARN THE GNZ A SPECIAL  
ROYALTY OF 12.5 PERCENT.

3. THE OTHER PARTNERS IN THE GROUP ARE ODECO AND MURPHY  
OF THE U.S., L AND M OIL OF NEW ZEALAND, BEACH PETROL-

EUM NL OF AUSTRALIA AND THE HOME OIL CO. LTD. OF CAN-  
ADA.

4. UNDER THE NEW TAX SYSTEM PETROLEUM MINING COMPANIES  
WILL PAY TAX ON THE SAME BASIS AND AT THE SAME RATE AS  
ALL OTHER NEW ZEALAND COMPANIES, BUT WITH SOME SPECIAL  
INCENTIVES TO ENCOURAGE INVESTMENT IN EXPLORATION. FULL  
DETAILS OF THE TAX ARRANGEMENTS WILL BE RELEASED AFTER  
FURTHER DISCUSSIONS WITH OTHER PROSPECTIVE EXPLORERS.  
HEALY

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NNN

## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 jan 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** OILS, PRIVATE ENTERPRISE  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 14 jun 1978  
**Decaption Date:** 01 jan 1960  
**Decaption Note:**  
**Disposition Action:** n/a  
**Disposition Approved on Date:**  
**Disposition Case Number:** n/a  
**Disposition Comment:**  
**Disposition Date:** 01 jan 1960  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1978WELLIN03096  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** n/a  
**Enclosure:** n/a  
**Executive Order:** N/A  
**Errors:** N/A  
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**Review Exemptions:** n/a  
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**Review Release Event:** n/a  
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**Status:** NATIVE  
**Subject:** FIRST OFFSHORE OIL PROJECT INVOLVING PRIVATE ENTERPRISE SINCE 1975 SIGNED.  
**TAGS:** ENRG, NZ  
**To:** STATE CANBERRA  
**Type:** TE  
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**Review Markings:**  
Sheryl P. Walter  
Declassified/Released  
US Department of State  
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20 Mar 2014  
**Markings:** Sheryl P. Walter Declassified/Released US Department of State EO Systematic Review 20 Mar 2014